



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

Procurement  
Instruction  
Memorandum  
No. 99-13  
REVISION  
Jan. 7, 2000

**MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS**

**FROM:** Corey M. Rindner, Director  
Office of Procurement *Corey M. Rindner*

**SUBJECT:** Cost Savings Addition to ICAR

PIM No. 99-13, dated October 12, 1999 has been revised to include additional information regarding the computation of cost savings. The revised information has been highlighted.

Effective 1<sup>st</sup> quarter of FY2000, all bureau procurement offices shall compute and report dollars saved through competition and/or negotiation of each acquisition reported through the new Department of the Treasury TADS Input Form, TD F 76-06.09. A copy is attached for your convenience in identifying the new block 49f that has been added to report cost savings.

The following guidelines are established for calculating cost savings and reporting them using TADS. Previously cost savings were reported every two years on the Self-Assessment Surveys under the Balanced Scorecard Survey process. This new TADS field will provide real time reporting of cost savings, using a uniform format within the bureaus.

Cost savings shall be calculated for all negotiated acquisitions, solicited as full and open competition or other than full and open competition, when discussions are conducted. Sealed bidding acquisitions and negotiated acquisitions where award was made without discussions will be reported as \$0 cost savings. All options quantities, option years, and maximum quantities should be considered in your computations. Consequently, all actions that reportable on the Department of the Treasury TADS Input form that are negotiated are covered under this PIM. A copy of the form is attached for your reference.

Compute cost savings as: The difference between the final negotiated award price (including options and/or estimated quantities) and the initial offered price (including options and/or estimated quantities). Each contract file shall include written documentation, including this calculation for deriving the cost savings dollar amount. **For the purpose of data collection, this calculation should be the standard for all Treasury procurement offices; however, we do recognize that there may be other incidents that warrant a deviation.** Cost savings may

**also include measurable and verifiable savings that result from the deliberate efforts of procurement personnel on their own or in concert with their clients and/or project teams.** There may be other methods to calculate savings resulting from your efforts such as negotiating volume discounts, consolidating requirements, the use of lease versus buy or make versus buy decisions, etc. I encourage your resourcefulness as long as the figures reported are measurable and verifiable, with the basis for calculation clearly documented in the file. **This documentation will be reviewed during our on-site visits that are discussed in PIM No. 99-14.**

All contracting personnel should begin inputting this new data field on the **Department of the Treasury TADS Input Form** for actions commencing October 1, 1999. Questions may be addressed to Terri Toplisek at (202) 622-1241, or e-mail to [terri.toplisek@do.treas.gov](mailto:terri.toplisek@do.treas.gov). Technical questions/issues should be addressed to Lou Masciocchi at (202) 6585, or e-mail to [louis.masciocchi@do.treas.gov](mailto:louis.masciocchi@do.treas.gov).

Attachment

cc: TPDS Coordinators

# Department of the Treasury

## TADS Input Form

Note: For modifications or delivery/task orders, only shaded fields need be completed if an action for this contract has previously been reported to TADS. Write or type all zeroes as 0. All dollar entries must be rounded to the nearest thousand, (e.g. \$50,450 is entered as 50, \$50,650 is entered as 51).

2. Contract Number										4. Contracting Office Order Number										3. Modification Number			
1. Reporting Agency				5. Contracting Office Code				6. Action Date (YYYYMMDD)				8. Report Period(YYYYQ)				7. Type of Data Entry							
																<input type="checkbox"/> A. Original <input type="checkbox"/> B. Deleting <input type="checkbox"/> C. Correcting							
9. Kind of Contract Action																							
<input type="checkbox"/> A. Initial Letter Contract <input type="checkbox"/> B. Definitive Action Superceding Letter Contract <input type="checkbox"/> C. New Definitive Contract <input type="checkbox"/> D. Purchase Using Simplified Acquisitions <input type="checkbox"/> E. Order under single award Indef. Del. Contract <input type="checkbox"/> F. Order under BOA <input type="checkbox"/> G. Order/Modification under federal Schedule <input type="checkbox"/> H. Modification (report B for mods definitizing a letter contract) <input type="checkbox"/> J. Termination for Default <input type="checkbox"/> K. Termination for Convenience <input type="checkbox"/> L. Order under multiple Award Contract <input type="checkbox"/> Z. Reserved																							
10. Dollars Obligated or Deobligated this Action (whole \$ only. If deob, precede with minus sign)										11. Type of Obligation				b. Appropriation				12. Principal Product or Service Code					
\$ <span style="border: 1px solid black; padding: 0 5px;"> </span> <span style="border: 1px solid black; padding: 0 5px;"> </span> <span style="border: 1px solid black; padding: 0 5px;"> </span> <span style="border: 1px solid black; padding: 0 5px;"> </span> <span style="border: 1px solid black; padding: 0 5px;"> </span> <span style="border: 1px solid black; padding: 0 5px;"> </span> <span style="border: 1px solid black; padding: 0 5px;"> </span> <span style="border: 1px solid black; padding: 0 5px;"> </span> <span style="border: 1px solid black; padding: 0 5px;"> </span> <span style="border: 1px solid black; padding: 0 5px;"> </span> , 000										<input type="checkbox"/> A. \$ 0 or Obligation <input type="checkbox"/> B. Deobligation				<input type="checkbox"/> A. Appropriated <input type="checkbox"/> B. Nonappropriated									
13. Principal Standard Industrial Classification				36. Estimated Contract Completion Date (YYYYMMDD)				49b. Estimated Completion Date, For Contracts With Option (YYYYMMDD)															
49c. RFC Receipt Date (YYYYMMDD)						49d. RFC Ready Date (YYYYMMDD)																	
49e. Procurement Complexity						49f. Cost Saving																	
<input type="checkbox"/> 1. High <input type="checkbox"/> 2. Medium <input type="checkbox"/> 3. Low						\$ <span style="border: 1px solid black; padding: 0 5px;"> </span> <span style="border: 1px solid black; padding: 0 5px;"> </span> <span style="border: 1px solid black; padding: 0 5px;"> </span> <span style="border: 1px solid black; padding: 0 5px;"> </span> <span style="border: 1px solid black; padding: 0 5px;"> </span> <span style="border: 1px solid black; padding: 0 5px;"> </span> <span style="border: 1px solid black; padding: 0 5px;"> </span> <span style="border: 1px solid black; padding: 0 5px;"> </span> <span style="border: 1px solid black; padding: 0 5px;"> </span> , 000 (whole \$ only)																	
15. Contractor Name (If classified, write "Treasury, United States Dept of")																							
16. Contractor Identification Number (CIN)										30. Type of Contractor													
										<input type="checkbox"/> A. Small Disadvantaged Business <input type="checkbox"/> B. Other Small Business <input type="checkbox"/> C. Large Business <input type="checkbox"/> D. JWOD Nonprofit Agency <input type="checkbox"/> E. Educational Institution <input type="checkbox"/> F. Hospital <input type="checkbox"/> G. Nonprofit Organization <input type="checkbox"/> H. Reserved <input type="checkbox"/> J. Reserved <input type="checkbox"/> K. State/Local Government <input type="checkbox"/> L. Foreign Contractor <input type="checkbox"/> M. Domestic Contractor Performing Outside U.S. <input type="checkbox"/> O. Large Minority <input type="checkbox"/> P. FIRREA WOLB (OCC and OTS Only) <input type="checkbox"/> U. Historically Black College/University or Minority Institution (HBCU/MI)													
(If classified, use 144091451)																							
37. Contractor's TIN																							
(If classified, use 999999998)																							
50a. Contractor Key Personnel (Last, First) (If classified, write "Kuhn, Annelie")																							
15. Street Address or Box Number (If classified, write "1310 G ST NW Ste 400W")																							
City (If classified, write "Washington", "DC", "200053000")										State /Country				Zip Code									
38. Common Parent's Name																							
39. Common Parent's TIN										40. Reserved for FPDS				41. Reserved for FPDS									
17 Principal Place of Performance				b. City, Place, or County				c. Foreign Country				18. Contract for Foreign Government or International Organization				19. Tariff or Regulated				20. Reserved for FPDS			
a. State/Country												<input type="checkbox"/> Y - Yes <input type="checkbox"/> N - No				<input type="checkbox"/> Y - Yes <input type="checkbox"/> N - No							

Date \_\_\_\_\_